



ORIGINAL

LATE TESTIMONY

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TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

THE TWENTY-EIGHTH LEGISLATURE
REGULAR SESSION OF 2015

MONDAY, MARCH 30, 2015
2:00 P.M.

TESTIMONY OF JEFFREY T. ONO, EXECUTIVE DIRECTOR, DIVISION OF
CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER
AFFAIRS, TO THE HONORABLE ANGUS L.K. McKELVEY, CHAIR,
AND MEMBERS OF THE COMMITTEE

HOUSE CONCURRENT RESOLUTION NO. 62
URGING THE PUBLIC UTILITIES COMMISSION TO OPEN A DOCKET TO
CONSIDER THE APPROPRIATENESS OF AMENDING THE REGULATORY
STRUCTURE APPLICABLE TO ELECTRIC UTILITIES IN LIGHT OF ONGOING
DEVELOPMENTS IN THE DEPLOYMENT OF RENEWABLE ENERGY.

DESCRIPTION:

This resolution urges the Public Utilities Commission ("PUC") to open a docket to consider the appropriateness of amending the regulatory structure applicable to electric utilities in light of ongoing developments in the deployment of renewable energy.

POSITION:

The Division of Consumer Advocacy ("Consumer Advocate") the intent of HCR 62 and offers the following comments.

COMMENTS:

The Consumer Advocate supports the intent of HCR 62 that urges the PUC to open a docket to consider amendments to the current regulatory structure applicable to electric utilities in light of ongoing developments in energy, including the deployment of renewable energy. The Consumer Advocate would like to point out that in docket no. 2013-0141 (Decoupling Re-examination), the issues identified by the PUC include "whether performance incentives should be incorporated into the RBA, RAM or other utility rate designs or ratemaking procedures." The parties to the docket are HECO, the Consumer Advocate, Hawaii County, the Hawaii Solar Energy Association, the Hawaii Renewable Energy Alliance, and Blue Planet. A great deal of work has already been put into this investigation with extensive briefs, consultant reports, and two panel hearings on issues that include performance based ratemaking as a means of proving an incentive to the electric utilities to make major adjustments to utility strategies and action plans.

The Consumer Advocate further notes that HCR 62 would apply to all electric utilities, including Kauai Island Utility Cooperative. Hawaii Revised Statutes Section 269-31 provides that the PUC may, on its own or upon an application from a utility cooperative, exempt or waive a utility cooperative from any or all of the requirements of Chapter 269. Because a utility cooperative is not a profit-driven business, any regulatory structure changes that are designed to address concerns over the business model of an investor owned utility, may not be applicable to a utility cooperative.

Thank you for this opportunity to testify.